

Message Text

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C O N F I D E N T I A L SECTION 1 OF 4 QUITO 2202

E.O. 11652: GDS

TAGS: AMGT, PFOR, EC

SUBJECT: PARM - ANNUAL POLICY AND RESOURCE ASSESSMENT PART I

REF: CERP 0001

1. PRINCIPAL LONG-TERM INTERESTS. WE HAVE IDENTIFIED FIVE
BASIC, LONG-TERM INTERESTS WHICH THE U.S. HAS IN ECUADOR:

A. WORLD ORDER. FIRST, WE WANT AND CAN BENEFIT FROM
ECUADOR'S SUPPORT IN MULTILATERAL FORA NOT ONLY BECAUSE IT
ATTENDS MOST INTERNATIONAL MEETINGS AND HAS A VOTE, BUT BECAUSE
FOR THE FORESEEABLE FUTURE ECUADOR WILL PLAY A ROLE IN CERTAIN
FORA (LOS, REGIONAL FISHERIES, OAS REFORM) DISPROPORTIONATE
TO ITS SIZE. SECOND, ECUADOR IS PART OF THE PROBLEM OF A
PERCEIVED THREAT TO THE PEACE IN THE ANDEAN SUBREGION.

B. FAIR TREATMENT OF U.S. PROPERTY AND CITIZENS. PROTECTION
OF U.S. OIL AND OTHER INVESTMENTS; INSURING ACCESS TO ECUADOREAN
CLAIMED WATERS FOR THE U.S. TUNA INDUSTRY, RESEARCH, NAVIGATION,
ETC.; PROTECTION OF AMERICAN CITIZENS IN ECUADOR.

C. CONTROL OF MOVEMENT OF GOODS AND PEOPLE. ECUADOR PLAYS
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A MAJOR ROLE IN THE MOVEMENT OF DRUGS (PRIMARILY COCAINE) TO
THE U.S.; AND ITS ECONOMIC/SOCIAL UNDERDEVELOPMENT LEADS TO
GREAT PRESSURE ON BOTH LEGAL AND ILLEGAL MIGRATION TO THE U.S.

D. DEMOCRACY AND HUMAN RIGHTS. FIRST, ECUADOR'S "EXPERIMENT"
WITH A RETURN TO CIVILIAN RULE MAY BE SIGNIFICANT BOTH AS AN
EXAMPLE AND AS A COUNTERBALANCE TO TRENDS IN THE OTHER DIRECTION.

SECOND, ECUADOR IS A COMPARATIVE MODEL IN THE HUMAN RIGHTS AREA AND IT COULD BE A STRONG SUPPORTER OF U.S. HUMAN RIGHTS INITIATIVES (ALTHOUGH SUCH SUPPORT IS NOT ASSURED BECAUSE OF INTERNATIONAL POLITICAL AND SECURITY CONSIDERATIONS).

E. U.S. ECONOMIC PROSPERITY. PROTECTING AND INCREASING OUR SHARE OF ECUADOR'S TRADE. ECUADOR IS A GROWING MARKET FOR U.S. EXPORTS, GIVEN ITS OIL (AND NOW COFFEE) EARNINGS. AT THE SAME TIME THE BOOM GENERATED BY PETROLEUM HAS CREATED OPPORTUNITIES FOR U.S. INVESTMENT. ECUADOR IS A MEMBER OF OPEC AND THERE ARE THOSE IN THE PRESENT GOVERNMENT THAT FAVOR ALIGNMENT WITH THE SAUDI POSITION ON PRICES.

2. AMBASSADOR'S OVERVIEW

A. ECUADOR IS A SMALL UNDERDEVELOPED COUNTRY IN WHICH OUR INTERESTS ARE LIMITED, AND WHERE THE PEOPLE TRY TO OUTDO EACH OTHER IN RECITING THEIR AFFECTION FOR THE UNITED STATES. NEVERTHELESS, SINCE 1960, BILATERAL RELATIONS HAVE SELDOM RUN SMOOTHLY. THE IMPACT ON US INTEREST OF ECUADOR'S SURPRISINGLY INDEPENDENT FOREIGN POLICY (SEE QUITO A-3) HAS BEEN DISPROPORTIONATE TO THE COUNTRY'S SIZE AND ECONOMIC STRENGTH. BECAUSE ECUADOR CHOOSES NOT TO PLAY THE ROLE OF A CLIENT STATE, WE HAVE FOUND IT A FORMIDABLE ANTAGONIST ON CERTAIN GLOBAL AND REGIONAL ISSUES LIKE THE LAW OF THE SEA AND THE FUTURE OF THE INTER-AMERICAN SYSTEM. AND NOW ECUADOR IS A FACTOR IN THE GROWING IRREDENTIST TENSION AMONG THE ANDEAN STATES.

B. IN THE PAST WE HAVE ATTEMPTED TO USE OUR ECONOMIC MUSCLE
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TO COUNTER ECUADOREAN CHALLENGES TO OUR INTERESTS (E.G., THE PELLY AMENDMENT, GSP EXCLUSION). AS A RESULT, ECUADOREAN LEADERS ARE HIGHLY SENSITIVE TO ANY INDICATION OF US ATTEMPTS AT "COERCION". CONSEQUENTLY, THERE IS A PREMIUM ON PATIENT, QUIET DIPLOMACY IN DEALING WITH ECUADOREAN PROBLEMS.

C. ON THE POSITIVE SIDE, THIS A CONSERVATIVE SOCIETY WHICH VALUES INDIVIDUAL FREEDOM, ASPIRES TO DEMOCRATIC RULE, AND ADMIRES OTHER US VALUES AND ACCOMPLISHMENTS. CURRENTLY, WE HAVE THE UNIQUE PHENOMENON IN LATIN AMERICA OF A MILITARY REGIME WHICH IS VOLUNTARILY RETURNING THE GOVERNMENT TO CIVILIAN, CONSTITUTIONAL RULE. BY 1978, ECUADOR MAY BECOME ONLY THE FOURTH LATIN AMERICAN COUNTRY TO POSSESS AN ELECTED, REPRESENTATIVE FORM OF GOVERNMENT. AS SUCH, ECUADOR WILL HAVE SYMBOLIC IMPORTANCE TO THE UNITED STATES BEYOND OUR MODEST LEVEL OF TANGIBLE INTERESTS HERE.

D. DURING THE NEXT 18 MONTHS, AND PROBABLY BEYOND, ECUADOR'S PRINCIPAL INTERNATIONAL CONCERN WILL BE THE THREAT OF MILITARY

AGGRESSION IT PERCEIVES FROM PERU. THE PERUVIANS' ACQUISITION OF NEW WEAPONS FROM THE SOVIET UNION AND EUROPEAN SUPPLIERS HAS UPSET THE TRADITIONAL BALANCE OF POWER IN THE ANDEAN REGION AND THE ECUADOREANS BELIEVE, WITH SOME JUSTIFICATION, THAT THE CHANCES OF WAR IN THE AREA HAVE INCREASED. ECUADOREANS IN ALL WALKS OF LIFE - MANY WITH THE EXPERIENCE IN THEIR OWN LIFETIME OF HAVING LOST A LARGE CHUNK OF TERRITORY TO PERU - ARE CONVINCED THAT PERU COVETS ECUADOR'S EASTERN OIL FIELDS AND MAY MOVE FIRST NORTH, OR SIMULTANEOUSLY WITH AN ATTACK ON CHILE. ECUADOR'S MILITARY LEADERS ARE, ACCORDINGLY, DESPERATE TO ACQUIRE THE ARMS NECESSARY TO ACHIEVE A MINIMALLY CREDIBLE DEFENSE - WHICH IS NOW LACKING. ECUADOR'S MILITARY WANT TO BE ABLE TO RELY ON THE US FOR AS MUCH OF THIS EQUIPMENT AS POSSIBLE, BOTH BECAUSE OF OUR TECHNICAL AND LOGISTICAL SUPERIORITY AND THE PSYCHOLOGICAL IMPORTANCE VIS-A-VIS PERU OF US INVOLVEMENT IN ECUADOR'S ARMS MODERNIZATION EFFORT.

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E. THE MILITARY ARE EXTREMELY RELUCTANT TO ACCEPT SOVIET ARMS. BUT WE CANNOT COUNT ON THEIR ANTI-COMMUNISM TO DETER AN ECUADOREAN-SOVIET ARMS DEAL IF THE ECUADOREAN MILITARY CONCLUDE THAT THERE IS NO OTHER WAY THEY CAN ACHIEVE AN ADEQUATE AIR DEFENSE AGAINST PERU.

I RECOGNIZE THAT THE INTRODUCTION OF A SOVIET ROLE WITHIN THE ECUADOREAN MILITARY PER SE MAY BE OF LITTLE CONCERN TO WASHINGTON. BUT FROM A MORE GLOBAL PERSPECTIVE IT IS NOT IN OUR INTEREST THAT THE SOVIETS WIDEN THEIR ROLE AS AN ARMS SUPPLIER IN LATIN AMERICA BEYOND PERU BECAUSE OF THE IMPLICATIONS THAT WOULD HAVE FOR INCREASED INSTABILITY AND TENSION IN THE REGION.

F. THE GOE' SECURITY CONCERNS, AND HOW THE US RESPONDS

TO THEM, WILL BE THE SINGLE MOST IMPORTANT FACTOR IN DETERMINING HOW WELL WE CAN DEFEND OUR INTERESTS DURING THE PERIOD UNDER CONSIDERATION IN THIS PARM. IF WE APPEAR INDIFFERENT TO ECUADOR'S SECURITY CONCERNS - AND THE DENIAL OF THE KFIR WAS INTERPRETED AS INDIFFERENCE - WE WILL FIND IT DIFFICULT TO ACHIEVE OUR GOALS.

G. OUR OBJECTIVES SHOULD INCLUDE REDUCING THE TEMPTATION TO THE PERUVIANS OF AGRESSION AND THE POSSIBILITY THAT ECUADOREAN PANIC MIGHT SET OFF A CONFLICT. THUS, ECUADOR'S DESIRE TO ACQUIRE THE MEANS TO DEFEND ITSELF COINCIDES WITH OUR INTERESTS ON TWO
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COUNTS: A CREDIBLE ECUADOREAN DEFENSIVE CAPABILITY SHOULD CONTRIBUTE TO MAINTENANCE OF PEACE IN THE ANDEAN REGION, AS WELL AS TO OUR ABILITY TO INFLUENCE THE GOE TO BE FORTHCOMING ON PROBLEMS EXISTING BETWEEN THE TWO COUNTRIES.

H. THE RESOLUTION OR ATTENUATION OF THESE PROBLEMS CONSTITUTE SOME OF THE OBJECTIVES SET FORTH IN THE NEXT SECTION OF PART I. THESE INCLUDE HAVING ECUADOR:

(1) NOT OBSTRUCT THE CONSUMMATION OF A LAW OF THE SEA TREATY AND TACITLY ACQUIESCE IN THE RESOURCE-ZONE REGIME IN SPITE OF ECUADOR'S OWN TERRITORIAL POSITION.

(2) JOIN A FUTURE REGIONAL TUNA AGREEMENT FOR THE EASTERN PACIFIC WHICH MAINTAINS ACCESS TO TUNA IN THESE WATERS FOR US FISHERMEN.

(3) RESOLVE OUTSTANDING INVESTMENT DISPUTES.

(4) SUPPORT IN A LARGER MEASURE THAN HERETOFORE US POSITIONS IN THE UN AND THE OAS, INCLUDING THOSE ON HUMAN RIGHTS, AND

(5) COOPERATE ON A NUMBER OF PROGRAMS, RANGING FROM NARCOTICS TO SATELLITE TRACKING.

I. BY AND LARGE THE CARROT WILL PROVE MORE EFFECTIVE THAN THE STICK WITH THE ECUADOREANS, WHO ARE SLIGHTLY PARANOID AFTER HAVING HAD SO MANY OF OUR STICKS BRANDISHED AT THEM IN RECENT YEARS. INDEED, AFTER THE PROVISION OF MILITARY EQUIPMENT FOR LEGITIMATE DEFENSE PURPOSES, THE MOST IMPORTANT STEP WE COULD TAKE TO IMPROVE THE ATMOSPHERE IN ECUADOR FOR OUR INTERESTS WOULD BE TO REPEAL THE GSP EXCLUSION. IF THE CARTER ADMINISTRATION WERE TO GO BEYOND THAT AND DECLARE ITS OPPOSITION TO LEGISLATED SANCTIONS IN GENERAL, THE IMPACT HERE WOULD BE VERY FAVORABLE, AS ELSEWHERE IN LATIN AMERICA.

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J. THIS DOES NOT MEAN WE SHOULD NOT GET TOUGH WITH THE ECUADOREANS WHEN THEY BEHAVE UNREASONABLY. BUT OUR MUSCLE MUST BE FLEXED PRIVATELY.

K. ECUADOR - AS ALWAYS LARGER THAN LIFE - THUS BRINGS INTO FOCUS IN A COUNTRY CONTEXT THE DELIMMAS INHERENT IN ATTEMPTING TO FORMULATE GLOBAL, FUNCTIONAL POLICIES: LIMITATION OF ARMS SALES TO LDCS VERSUS THE ARMS IMBALANCE IN THE ANDES AND THE IMPLICATIONS OF A POTENTIAL SOVIET ROLE AS ARMS SUPPLIER TO SOUTH AMERICA; DEEPLY IMBEDDED AMERICAN ATTITUDES ABOUT RECIPROCITY (IF NOT AN EYE-FOR-AN-EYE) VERSUS THE GREATER EFFECTIVENESS OF FOREBEARANCE IN DEALING WITH SMALL, BUT PROUD, NATIONS; OUR INSISTENCE ON PROMPT, ADEQUATE, AND EFFECTIVE COMPENSATION VERSUS THE NEED FOR PATIENCE IN WORKING TOWARD A SETTLEMENT OF OUR REMAINING INVESTMENT DISPUTES HERE.

L. IF WE CAN SOLVE THESE POLICY DILEMMAS, WE SHOULD IN 18 MONTHS BE ABLE TO COUNT ECUADOR AS A MEMBER OF THE DEMOCRATIC, LIBERTARIAN CAMP; A COUNTRY WITH WHOM WE HAVE SHOWN HOW A GREAT POWER CAN SOLVE ITS PROBLEMS WITH A SMALL, WEAK NEIGHBOR, BY DIPLOMACY AND COMPROMISE, AND ONE WHERE OUR POLITICAL AND ECONOMIC INTERESTS ARE PROSPERING.

M. ON FINAL WORD - A PRESIDENTIAL VISIT TO LATIN AMERICA THIS YEAR WOULD PAY ENORMOUS DIVIDENDS FOR THE FUTURE OF US-LATIN AMERICAN RELATIONS. IT WOULD BE GREATLY APPRECIATED IN ECUADOR IF THE NEW US PRESIDENT WERE TO INCLUDE ECUADOR IN HIS ITINERARY - AS A SYMBOLIC GESTURE TO A COUNTRY MOVING BACK TOWARD THE DEMOCRATIC IDEAL AND TO ONE WHICH HAS MANAGED TO PRESERVE HUMAN RIGHTS EVEN UNDER MILITARY RULE. ON THE OTHER HAND, TO OMIT ECUADOR FROM THE ITINERARY IF PERU WERE INCLUDED WOULD CONSTITUTE A SETBACK TO THE ACHIEVEMENT OF THE OBJECTIVES SET FORTH IN THIS PAPER.

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3. OBJECTIVES AND COURSES OF ACTION. WE HAVE IDENTIFIED SEVEN OBJECTIVES, EACH WITH APPROPRIATE COURSES OF ACTION, WHICH RESPOND TO THE U.S. INTERESTS LISTED ABOVE:

A. USE OUR BILATERAL RELATIONSHIP TO REDUCE TENSIONS AND POSSIBILITY OF WAR IN THE ANDEAN SUBREGION. (KEYED TO INTEREST 1). WE RECOMMEND TWO COURSES OF ACTION IN PURSUIT OF THIS OBJECTIVE:

-- BE RESPONSIVE TO ECUADOREAN REQUESTS FOR ARMS PURCHASES AND TRAINING IN ORDER TO CREATE A MINIMALLY CREDIBLE DEFENSE AND THEREFORE A MATERIAL DETERRENT AGAINST PERU.

-- IN ADDITION TO DEMONSTRATING OUR SYMPATHY WITH ECUADOR'S SECURITY PROBLEMS THROUGH MILITARY SUPPORT, EMPLOY OTHER INDICATORS OF U.S. INTEREST IN ECUADOR, SUCH AS HIGH-LEVEL VISITS (INCLUDING CONSIDERATION OF STATE VISIT TO WASHINGTON OR INCLUSION IN ITINERARY FOR U.S. PRESIDENTIAL VISIT TO LATIN AMERICA) IN ORDER TO BOLSTER ECUADOREAN SELF-CONFIDENCE, ENCOURAGE RESPONSIBLE GOE ACTION TOWARDS POSSIBLE PROVOCATIONS, AND GIVE THE IMPRESSION WITHIN THE SUBREGION THAT THE US IS NOT INDIFFERENT TO THE FATE OF PEACE IN THE ANDES.

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B. ENCOURAGE ECUADOR TO BE MORE SUPPORTIVE OF U.S. POSITIONS IN VARIOUS MULTILATERAL FORA (UN, OAS, LOS, OPEC, HUMAN RIGHTS COMMISSIONS, REGIONAL FISHING AGREEMENT EFFORTS) THAN IT HAS IN THE PAST. (KEYED TO INTEREST 1). SUGGESTED COURSES OF ACTION:

-- BUILD ON THE SUCCESS WE HAVE HAD ALREADY IN SENSITIZING THE MILITARY AND THE FOREIGN MINISTRY TO THE CONNECTION BETWEEN THE GOE'S ACTION IN MULTILATERAL FORA AND THE AVAILABILITY OF ARMS, BILATERAL ASSISTANCE, ETC., FROM THE U.S.

-- SHOW AN INTEREST IN DIALOGUE WITH THE GOE ON MULTILATERAL ISSUES, (E.G., LOS), INCLUDING SCHEDULING SPECIAL CONSULTATIONS IN WASHINGTON AND QUITO.

-- INCREASE UNDERSTANDING OF THE U.S. AND ITS POLICIES BY EXPANDING THE FULBRIGHT AND INTERNATIONAL VISITOR PROGRAMS

AND BY DEVELOPING A CLOSER RELATIONSHIP WITH THE INFLUENTIAL INSTITUTO DE ALTOS ESTUDIOS NACIONALES.

C. AVOID FUTURE INVESTMENT DISPUTES AND SETTLE THOSE OUTSTANDING. (KEYED TO INTEREST 2). SUGGESTED COURSES OF ACTION:

-- CONTINUE ACTIVE EMBASSY AND DEPARTMENT ROLE AS "THIRD PARTY" TO NEGOTIATIONS ON OUTSTANDING INVESTMENT DISPUTES AND TALKS BETWEEN GOE AND U.S. OIL COMPANIES.

-- GIVEN THE ASSUMPTION THAT THE MILITARY WILL CONTINUE TO EXERCISE A POWERFUL INFLUENCE IN THE FUTURE, BE RESPONSIVE TO ECUADOR'S LEGITIMATE MILITARY ASSISTANCE NEEDS IN ORDER TO RETAIN THE GOODWILL OF THE ARMED FORCES AND ENCOURAGE THEM TO ACT AS A MODERATING FACTOR IN INVESTMENT ISSUES.

D. IMPROVE THE GOE'S PERFORMANCE ON NARCOTICS CONTROL, ESPECIALLY REDUCING POLICE CORRUPTION. (KEYED TO INTEREST 3). THIS OBJECTIVE IS AIMED AT WHAT WE PERCEIVE AS THE MOST SERIOUS CONFIDENTIAL

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LONG-TERM HINDRANCE TO A SUCCESSFUL ANTI-NARCOTIC PROGRAM IN ECUADOR. WE RECOMMEND THE FOLLOWING COURSES OF ACTION:

-- CONTINUE U.S. FUNDING FOR NARCOTICS ACTION PROGRAMS.

-- MAINTAIN HIGH-LEVEL (I.E., AMBASSADOR AND DCM WITH THE MINISTER OF GOVERNMENT) DIALOGUE WITH THE GOE ON THIS PROBLEM.

-- CONTINUE EFFORTS TO SENSITIZE GOE AND PUBLIC TO PERILS OF ILLICIT NARCOTICS TRAFFIC.

E. IMPROVE OUR ABILITY TO COPE WITH INCREASING PRESSURES ON LEGAL AND ILLEGAL MIGRATION TO THE U.S. (KEYED TO INTEREST 3). RECOMMENDED COURSES OF ACTION:

-- TAKE STEPS TO RESOLVE THE INADEQUATE STAFFING OF CONGEN GUAYAQUIL AND INSURE TIMELY REPLACEMENTS FOR DEPARTING CONSULAR OFFICERS.

-- IN ORDER TO HELP RELIEVE PRESSURE TO EMIGRATE TO THE U.S., IMPROVE GOE ACCESS TO INTERNATIONAL PUBLIC FINANCING FOR DEVELOPMENT AND SUPPORT FAMILY PLANNING PROGRAMS.

F. ENCOURAGE THE DEVELOPMENT OF A PLURALISTIC, DEMOCRATIC POLITICAL SYSTEM WHICH CAN ALSO CONTRIBUTE TO THE MAINTENANCE OF ECUADOR'S ADMIRABLE RECORD ON HUMAN RIGHTS. (KEYED TO INTEREST 4).

-- SEEK BROADER CONTACT WITH POLITICAL LEADERS DURING THE FORTHCOMING ELECTORAL CAMPAIGN TO DEMONSTRATE OUR BENEVOLENT INTEREST AND IDENTIFY OURSELVES WITH DEMOCRATIC CHANGE.

-- TAKE MEASURES SHOWING SUPPORT OF PRESENT GOE TO DEMONSTRATE OUR APPROVAL OF ITS EFFORT TO RETURN TO CONSTITUTIONAL RULE ESPECIALLY BE BEING RESPONSIVE TO ECUADOR'S SECURITY CONCERNS.

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-- PROMOTE FRIENDSHIP AND IDENTIFICATION WITH THE NEW CIVILIAN GOVERNMENT THROUGH THE MAINTENANCE OF PEACE CORPS, IAGS, AND RESIDUAL AID PROGRAMS, INCLUDING AN ADEQUATELY MONITORED AIFLD PROGRAM, AS WELL AS STUDYING WAYS TO EXPAND PRIVATE AND PUBLIC ACTIVITIES IN THE SOCIO-ECONOMIC DEVELOPMENT FIELD.

-- INCLUDE ECUADOR ON ITINERARY IN EVENT OF PRESIDENTIAL TRIP TO SOUTH AMERICA AFTER ELECTION OF CONSTITUTIONAL GOVERNMENT IN LATE 1977 OR EARLY 1978 IN ORDER TO SHOW INTEREST IN ECUADOR EQUAL TO THAT IN OTHER LATIN AMERICAN DEMOCRACIES.

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G. MAINTAIN U.S. MARKET SHARE OF ECUADOR'S IMPORTS AND ENCOURAGE U.S. INVESTORS TO EXAMINE INVESTMENT POSSIBILITIES

IN ECUADOR'S DEVELOPMENT PROJECTS. (KEYED TO INTEREST 5).

COURSES OF ACTION:

-- INCREASE USG PROMOTIONAL EFFORTS TO MARKET U.S. PRODUCTS IN ECUADOR, INCLUDING SUPPORT FOR LOCAL TRADE FAIRS.

-- CONTINUE EFFORTS, EXEMPLIFIED BY THE CCP, TO DIRECT OUR EMBASSY COMMERCIAL RESOURCES AGAINST MOST LIKELY TARGET AREAS.

-- PERSUADE GOE TO REDUCE IMPORT CURBS CONSISTENT WITH RATIONAL ECONOMIC POLICY.

-- REMOVE DISCRIMINATORY PROVISIONS OF OUR OWN TRADE LAWS (E.G. GSP EXCLUSION) TO DISCOURAGE REVERSE DISCRIMINATION.

4. ISSUES. WE HAVE IDENTIFIED TWO MAJOR POLICY ISSUES WHICH WILL REQUIRE EARLY, HIGH-LEVEL WASHINGTON ATTENTION:

A. HOW CAN WE RECONCILE OUR WORLDWIDE OBJECTIVE OF LIMITING ARMS TRANSFERS WITH A) THE EXISTENCE IN THE ANDEAN SUBREGION OF AN ARMS IMBALANCE WHICH HAS CREATED A REAL CONFIDENTIAL

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THREAT TO PEACE IN THE AREA, AND B) WITH THE NEED TO BE RESPONSIVE TO ECUADOR'S PERCEIVED SECURITY REQUIREMENTS IN ORDER TO ACHIEVE OUR OTHER OBJECTIVES AND PROTECT OUR LONG-TERM INTERESTS HERE?

WE BELIEVE THE FOLLOWING OPTIONS EXIST, LISTED IN ORDER OF FEASIBILITY AND POSSIBILITY OF IMPLEMENTATION:

(1) PROVIDE ECUADOR WITH DEFENSIVE CAPABILITY OF LIMITED SOPHISTICATION TO MEET ITS NEEDS. THUS, PROVIDE DEFENSIVE INTERCEPTOR AIRCRAFT BUT NOT FIGHTER-BOMBERS; PROVIDE ANTI-TANK WEAPONS BUT NOT TANKS; PROVIDE OVER-AGE DESTROYERS; PROVIDE STATIC AIR DEFENSE SYSTEMS; ETC.

(2) PROVIDE AN EXPLICIT USG GUARANTEE OF TERRITORIAL INTEGRITY TO ECUADOR AND OTHER COUNTRIES IN THE SUBREGION AND COMBINE IT WITH DIPLOMATIC ACTIVITY DEMONSTRATING OUR EARNEST. THIS PRESUMABLY WOULD OBTAIN THE NECESSITY OF DEFENSIVE ARMING. HOWEVER, WE ARE DUBIOUS WHETHER US DOMESTIC AND STRATEGIC CONSIDERATIONS WOULD PERMIT US TO PURSUE A POLICY THAT WOULD BE SUFFICIENTLY ACTIVIST TO PERSUADE THE CONTENDING PARTIES OF OUR SERIOUSNESS. OR,

(3) OBTAIN CREDIBLE SUPPLIER NATION AGREEMENT NOT TO SELL ARMS IN THE SUBREGION TO LIMIT SUPPLIES AND REPAIRS TO ARMS ALREADY PROVIDED. BUT, WE BELIEVE THAT THIS OPTION WOULD FREEZE THE PRESENT ARMS IMBALANCE IN PLACE AND WOULD BE

EXTREMELY DIFFICULT TO IMPLEMENT. WE THUS RATE IT AS THE
LEAST FEASIBLE OF THE THREE.

B. HOW CAN WE PREVENT RENEWED SEIZURES OF U.S. FISHING
BOATS OFF THE COAST OF ECUADOR IN LIGHT OF THE FACT THAT THE
U.S. CONTINUES TO EXCLUDE MIGRATORY SPECIES (I.E., TUNA) FROM
COASTAL STATE CONTROL UNDER THE 200-MILE ECONOMIC ZONE CONCEPT?

WE CONSIDER SEVERAL OPTIONS UNDER THIS ISSUE, ONLY ONE OF
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WHICH WE CONSIDER FEASIBLE. TWO OPTIONS CONSIDERED NOT FEASIBLE
WERE: MAKING EFFORTS TO CHANGE U.S. LEGISLATION IN THIS AREA
SO AS TO REMOVE INCENTIVES TO U.S. TUNA FISHERMAN NOT TO BUY
ECUADOREAN LICENSES; OR MAKE EFFORTS TO GET THE GOE TO
FORMALLY CHANGE ITS VIEWS ON COASTAL STATE CONTROL OVER MIGRATORY
SPECIES. WE DISCARDED THE FORMER BECAUSE WE THOUGHT IT IMPRAC-
TICAL (ALTHOUGH WE WOULD BE GLAD TO HAVE WASHINGTON RECONSIDER
THE QUESTION), AND THE LATTER BECAUSE WE HAVE TRIED FOR YEARS
WITHOUT SUCCESS TO ACHIEVE IT AND WE DO NOT BELIEVE IT WILL
BECOME MORE LIKELY IN THE FUTURE. THUS, WE PRESENT ONLY ONE
OPTION:

-- CONTINUE TO COOPERATE WITH THE ECUADOREAN NAVY TO AVOID
SEIZURES, AND TO REMOVE TECHNICAL OBSTACLES TO BUYING LICENSES
FOR THOSE US FISHERMAN WHO WISH TO DO SO, WHILE WORKING IN
REGIONAL AND LOS FORA TO ACHIEVE INTERNATIONAL AGREEMENT ON
TUNA AND OTHER FISHERIES AS SOON AS POSSIBLE.
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